

From the Desk of Carl Bearden

Former Speaker Pro Tem

Missouri House of Representatives

January 9, 2009

Dr. Robert Stein
Commissioner, Missouri Department of Higher Education
3515 Amazonas Drive
Jefferson City, Missouri 65109

Dear Dr. Stein:

Thank you for the opportunity to discuss the successful Access Missouri Scholarship program with you. I also appreciate the opportunity to submit my thoughts to you and members of the Coordinating Board of Higher Education (CBHE) in writing. As we discussed, I would also be more than happy to address the board in more detail or answer questions.

My understanding is that some public institutions have proposed that Access Missouri be changed to either eliminate private institution students from receiving Access Missouri Scholarships or to eliminate the differential between public and private students. Perhaps a history of the last three years or so would be helpful to place the current actions into context.

I sponsored House Bill 742 in the 2005 legislative session to completely revamp the way Higher Education is funded in Missouri. A significant part of the bill would have changed the funding of higher education through the elimination of direct institutional operation funding and letting all the money follow the students. The bill was intended to direct the focus on students and to start the discussion of increasing student financial aid as well as higher education funding in general. In response to discussions with the higher education community, I agreed not to pursue the bill when public institutions and CBHE agreed to work on the issue. CBHE instituted the Financial Aid Task Force.

Governor Blunt announced the Lewis and Clark Discovery Initiative (LCDI) that would provide public institutions several hundred million dollars for building programs through the sale of assets of the Missouri Higher Education Loan Authority (MOHELA) calling for its passage in the 2006 legislative session. Unfortunately, the proposal did nothing to address aid to students. House Bill 1865 was introduced to add this element as a part of the LCDI proposal. House Bill 1022 was the appropriations bill for the LCDI and House Bill 1865 the original Access Missouri Program.

Shortly after significant discussions and final agreement in a conference committee on how House Bill 1865 should be structured, the public institutions let it be known they would not support the Conference Committee Report and Conference Committee Substitute for House Bill

1865. As a result, House Bill 1022 also failed to be passed by the legislature effectively killing the LCDI.

The public institutions approached me in June 2006 to see if there was any way to resolve the issue. At the fall meeting of CBHE at St. Charles Community College, the public institutions all agreed to the Access Missouri Scholarship program essentially as proposed by the Financial Aid Task Force, including the differential which was patterned after the Gallagher Grant.

Our agreement was for increased funding for both Access Missouri and public institutions over the next two years. Every institution present at that meeting agreed including those who now want changes to be made to Access Missouri. In fact, the Council on Public Higher Education (COPHE) confirmed this in a letter to Senator Nodler, CBHE and me. The original projection for full funding of Access Missouri was \$110 million.

Two changes were subsequently made to that agreement. The first was that Governor Blunt did not believe he could commit to a two-year funding cycle and agreed with a three-year approach. The second was driven by the first in that with an extra year added to the program, Senator Nodler proposed an inflation factor was added to both Access Missouri and the public funding amounts increasing the Access Missouri total to approximately \$119 million.

The agreement on Access Missouri was included as a part of Senate Bill 389. While other elements ended up being included in Senate Bill 389, the only way the bill was passed was because of the Access Missouri Scholarship program. There would have been no building program had it not been for the combination of aid to students, all students, at all institutions.

The program was implemented and has been working very well serving nearly 40,000 students. Last year when the second year increases were being made, there was an allegation being made that people making as much as \$250,000 would be receiving Access Missouri Scholarships. I understand that there may have been one or two outlier families in that range but as a whole, families making \$250,000 did not qualify.

That brings us to the present situation. The majority of students receiving Access Missouri attend public institutions. Slightly more money goes to students who attend private institutions but public institutions receive far more money today as a result of the aid to their students than they have in the past as a result of Access Missouri.

It appears that the public institutions, having received their building programs, although some payments are delayed; now want to back away from their previous agreement. Legislators and University Presidents come and go, however agreements should last longer, especially when so many students are being assisted and would be negatively impacted by changing that agreement for no reason other than attempting to make more money available for those institutions. There is no credible reason to make changes to the Access Missouri Program as proposed.

I hope this legislative history has been helpful. The public institutions call for total revamping of the Access Missouri Scholarship. The current budget climate appears to be driving much of this

effort. During the last budget decline the state experienced, I had the privilege of serving as budget chairman. We discussed reductions in all but two areas, public debt and student aid.

I am aware that the board is or will be in receipt of information being provided by the Independent Colleges and University's of Missouri (ICUM) for the upcoming February meeting. The information captures the positive impact Access Missouri has had on our state. Current legislative leadership and Governor-elect Nixon have placed a high value on the types of accomplishments that Access Missouri has made possible. In today's environment when so much emphasis is rightfully being placed on increased higher education opportunities, it would be a major mistake to attempt to change such a successful program.

A dearth of evidence that the program is broken exists. It appears the only "problem" with Access Missouri is that some institutions don't think they are getting enough. Access Missouri's function is to provide for students, not institutions just as CBHE's mission is higher education, which includes students in all sectors not just the public sector. The old adage, "if it ain't broke, don't fix it" aptly applies. It's not, so don't.

Please do not hesitate to contact me with any follow-up questions or comments.

Best regards,



Carl Bearden

For the record: I am a registered lobbyist for Lindenwood University. I do not write this letter in that capacity.

My support of the Access Missouri Program would be just as strong and this letter still provided whether I held the forgoing position or not. Anyone who might think or suggest otherwise obviously does not know me very well.